



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD AT 2PM ON 1 FEBRUARY 2022
AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1

PRESENT:

Maeve Carton, Chairperson
Brian O'Kelly
Conor O'Kelly
David Moloney
Gerardine Jones
John Hogan
Martin Murphy
Rachael Ingle
Susan Webb

IN ATTENDANCE:

Elaine Hudson, Agency Secretary
Anastasia-Ilektra Sakellariou, Agency Secretariat Officer
Susan O'Halloran, Chief Legal Officer (CLO)
Ian Black, NTMA Chief Financial Operating Officer (CFOO)
David O'Callaghan, Partner, Board Excellence (Private session)
Ciarán Breen, Director, SCA (Item 5 only)
Catherine Tarrant, Executive Head of Claims CIS (Item 5 only)
Sinéad Brennan, Chief People Officer (Items 6.1 and 6.2 only)
Aideen Murphy, Internal Communications & I&D Manager (Item 6.1 only)
Siobhan Keeling, NTMA Head of HR (Item 6.2 only)
Dunia Pavlovic, Senior Consultant, Mercer (Item 6.2 only)
Jim Deery, Senior Corporate Strategy Planning & Development (Item 7 only)
Alex O'Donnell, Manager Corporate Strategy & Development (Item 7 only)
Fergal Power, Head of Finance (Item 8 only)
Daniel O'Leary, Head of Financial Planning and Operations (Item 8 only)
David Purdue, Chief Economist (Item 9 only)
Frank O'Connor, Director, FDM (Item 9 only)
Shawn Britton, Senior Economist, FDM (Item 9 only)
Nick Ashmore, Director, ISIF (Item 10.2 only)
Deirbhile Brennan, Head of Compliance (Item 11.2 only)
Sinead Flanagan, Senior Compliance Officer (Item 11.2 only)
Alison Hodge, Head of Legal (Item 11.2 only)
Donal Steele, Head of Corporate Procurement and Facilities (Item 11.3 only)
This has been redacted pursuant to Section 37(1) of the FOI Act 2014.

1. NOTICE AND QUORUM

The Chairperson noted that notice of the meeting and of the nature of the business to be conducted had been given to all members entitled to attend the meeting and a quorum was present.

The Agency met in private session ahead of the ordinary business session to consider the draft Board & Committee Evaluation report, as conducted by Board Excellence. This item is minuted separately.

2. DECLARATIONS OF INTEREST

For the purposes of Section 13A of the National Treasury Management Agency Act 1990 (as amended) and Section 17 of the Ethics in Public Office Act 1995, there were no material interests declared by members in the business to be transacted at the meeting.

3. MINUTES AND MATTERS ARISING

The Chairperson noted that draft minutes of the meetings of 16 November, 23 November and 20 December 2021 had been circulated to the members in advance of the meeting. **IT WAS RESOLVED** that the minutes be approved and that they be signed by the Chairperson.

The Agency noted the status of the matters arising from previous meetings as set out in the note circulated with the meeting papers.

4. CHIEF EXECUTIVE'S REPORT

The Chief Executive presented his Report and provided an update in relation to a broad range of matters including, the Future of Work initiative, the Chief Executive transition, annual performance reviews, and the recent bond syndication. In response to a question from the Agency, the Chief Executive outlined the key considerations involved in the determination of the target cash balance. He also briefed the Agency on the drivers behind the ISIF's strong 2021 investment performance, highlighting the market volatility since the start of the year.

The Chief Executive noted further that the NTMA Townhall meeting had taken place on 27 January, with a focus on Sustainability and the Employee Engagement Survey results. The Agency discussed the recent increase in employee turnover and the increasingly competitive labour market conditions.

In considering the report, the Agency discussed, *inter alia*, the recent Fitch Sovereign credit rating upgrade, **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014**, progress in relation to both the Chief Executive Transition process and the FDM Director recruitment process and key considerations in respect of Bundle 2 of the Higher Education PPP Programme.

5. BUSINESS UNIT UPDATE: SCA

The Director, SCA and Executive Head of Claims, CIS¹ presented an update of the SCA work to the Agency, which included, amongst other things, an update on the current status of significant mass actions claims and compensation schemes, the impact of Covid-19 on SCA claims, risk and indemnity activities and the current Clinical and General Indemnity Schemes' outstanding liability estimates.

The Agency discussed the update and questioned the SCA representatives on various aspects of same including, amongst other things, the continued engagement with mediation by plaintiff's lawyers, **This is redacted in part pursuant to Schedule 1 Part 1 (w)(ii) of the FOI Act 2014** the current status of the Pre Action Protocol. The SCA Strategy Committee Chairperson advised that the SCA would be represented on an Inter Departmental Working Group to be established to examine the technical aspects of Periodic Payment Orders (PPOs) prior to the passage of amending legislation, in order to examine the implications of the High Court decision with respect to the indexation of PPOs and to make recommendations to the Minister on resolving the matter. He informed the Agency that the Central Statistics Office (CSO) had indicated its willingness to be involved in the development of a

¹ Clinical Indemnity Scheme

suitable index and advised that he would revert to the Agency if any material impediment to resolution of the matter were to arise.

6. HR UPDATE

6.1 NTMA Inclusion & Diversity (I&D) Strategy

The Chief People Officer and Internal Communications and I&D Manager presented the NTMA's Inclusion and Diversity Strategy 2021-2023 which had been approved by the recently established NTMA Equality Committee. The Agency noted, *inter alia*, the evolution in the NTMA's Inclusion and Diversity culture over recent years, the key areas of strategic focus and associated action plans. The Agency discussed the composition of the Equality Committee and potential metrics for charting progress across the various initiatives. It noted the significant progress in respect of Inclusion and Diversity to date and well-structured I&D strategy.

6.2 Employee Engagement Survey - Results

The Chief People Officer, Head of HR and Mercer representative presented the results of the recent Employee Engagement Survey to the Agency, noting that the level of Employee Engagement was in line with external comparators and that the overall results were strongly positive, with particular strengths seen to be in leadership and strategy, culture and values, teamwork, commitment to quality and communication. The Agency discussed the small number of opportunities for potential enhancement identified in relation to access to tools & resources, work processes and procedures and greater opportunities for advancement/career development and recognition. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.** She advised that the Management Team would review the results in detail with a view to addressing the employee feedback. The Agency commended the strong results of the survey.

7. NTMA OUTTURNS 2021

The Senior Corporate Strategy, Planning & Development Manager and the Manager Corporate Strategy, Planning & Development presented the paper to the Agency which noted, amongst other things, the majority of the Key Performance Indicators (KPIs) had been achieved or were on track to be achieved, with a small number of deliverables/KPIs being adversely impacted by Covid-19 related and/or external factors. The Senior Corporate Strategy Manager advised that, in light of sustainability being an increasing feature across the NTMA's mandates and, having regard to recent Climate Action Plan related developments, it had been agreed to include express reference to 'sustainability' in the description of the NTMA's overarching goal. He noted that prior to circulation of the Corporate Strategy to the NTMA Agency in September 2022, a coordinated review of the KPIs would take place later in the year, where it was planned to rationalise the number of KPIs (with one strategic KPI to reflect the strategic activities of each Business Unit) and to introduce more leading indicators where feasible. The Senior Corporate Strategy Manager indicated that potential expert external advice might be sought for the review, and that Board member representation/participation would be welcomed as part of the process in due course.

8. BUDGET OUTTURNS 2021

The CFOO, the NTMA Head of Finance and the Head of Financial Planning and Operations presented the preliminary expenditure outturns for the twelve-month period ended 31 December 2021 compared to budget and prior years in respect of the NTMA Admin Account (incl. SCA) and the ISIF. The Agency reviewed the reports, noting that the actual expenditure for both the NTMA (incl. SCA) and the ISIF were below budget. Referring to the supplementary budget approved by the Agency in

July, the Head of Finance advised that the additional IT budget **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014** had been fully utilised and while the approved additional headcount had been activated, due to increased staff turnover in the second half of the year, there were resultant staff cost savings against budget at the year end. The Agency questioned the Finance Team on various aspects of the reports including, *inter alia*, the implications for the budget of staff returning to the office (occupancy costs, business services and business travel) and the one off release of a prior year dilapidation provision.

9. MARKET UPDATE

The Agency noted the report as presented. The Senior Economist briefed the Agency on the improvement in outlook for the Irish Economy and the implications of same for the Exchequer Borrowing Requirement. The Agency discussed the downside risks including, *inter alia*, corporate taxation, Brexit, inflation and geopolitical risk.

The Director, Funding and Debt Management briefed the Agency on the €3.5 billion 10-year bond syndication in January. It also discussed developments in Irish sovereign credit ratings and the relative significance of the ECB's presence in the market going forward, recent developments in US and European interest rates noting the expectation that removal of Central Bank sizeable Quantitative Easing supports would likely be gradual in light of market volatility. **This has been redacted pursuant to Section 40(1)(a) as applies to 40(2)(d) of the FOI Act 2014.**

10. COMMITTEE REPORTS

10.1 Audit and Risk Committee

The Audit and Risk Committee Chairperson, Gerardine Jones, presented the Report of the Committee meeting held on 25 January 2022. She noted that the Committee had approved the ISIF Portfolio Diversification Framework and Investment Risk Policy, noting that arising from the ISIF Investment Strategy review, further revisions to both documents would likely be required in due course. She added that the Committee had reviewed the operation of the Internal Audit, Risk and Compliance functions and concluded that they were all operating effectively.

This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.

10.2 Investment Committee

The Investment Committee Chairperson, Susan Webb, briefed the Agency on the Committee meeting held on 31 January. The Agency noted, *inter alia*, the brief overview of the realisation transaction approved by the Committee and discussed the wider approach to ISIF realisations as set out in the ISIF Realisation Framework. The Committee Chairperson noted that the Committee reviewed the near-term PSRF pipeline.

The Committee Chairperson also briefed the Agency on the outcome of the Committee's half day Strategy Workshop to discuss the ISIF Investment Strategy. It was noted that the updated strategy incorporating the Committee's feedback would be brought back to the Committee and discussed with key stakeholders before being presented to the Agency. In response to a question from the Agency, the Director, ISIF noted that ISIF governance arrangements were being reviewed, with possible implications for the ISIF Portfolio Management Committee.

11. GOVERNANCE ITEMS

11.1 NTMA Corporate Strategy Part 2: Business Units and Corporate Function Goals

IT WAS RESOLVED that the NTMA Corporate Strategy: Part 2 – Business Unit and Corporate Function Goals (including annual targets / deliverables 2022) as presented to the Agency be approved.

11.2 Statutory Obligations Update (Annual Review)

The Head of Compliance, Senior Compliance Officer, and Head of Legal presented the material statutory obligations relevant to the NTMA, highlighting the key changes since last presented to the Agency in January 2021. The Head of Compliance noted that further details on the obligations contained in the various pieces of legislation covered in the presentation were available in the *BoardPad* reading room for reference purposes.

11.3 Directors and Officers (D&O) Insurance Policy Update

The Head of Corporate Procurement and Facilities and **This has been redacted pursuant to Section 30(1)(b) and 36(1)(b) of the FOI Act 2014** representative presented an update in relation to the D&O Liability Insurance policy held by the NTMA, noting, inter alia, the current Policy details and levels of cover, changes since the previous Policy and an overview of current D&O market conditions. In response to a question from the Agency, **This has been redacted pursuant to Section 30(1)(b) and 36(1)(b) of the FOI Act 2014** confirmed that they considered the current Policy cover to be reasonable and in line with peer comparators. Following further discussion, the Agency requested that the proposed insurance Policy cover arrangements be brought back to it for consideration ahead of renewal of same at year end **[Action]**.

11.4 Delegated Matters Notifiable to the Agency

The Agency noted the Report on Delegated Matters Notifiable to the Agency.

In relation to the notifiable matter regarding the acquisition or disposal of ISIF assets under Ministerial Direction, the Chief Legal Officer briefed the Agency on a direction received from the Minister of Finance (post circulation of the Agency papers) in relation to a provision to the Land Development Agency (LDA) for the purpose of discharging the Minister's liability arising in connection with the subscription for shares in the LDA by each of the Minister for Housing, Local Government and Heritage and the Minister for Public Expenditure and Reform. It was noted that discussions were ongoing between the LDA and the relevant Departments about a possible phasing of this transfer and a further direction might issue to the NTMA in this regard.

12. AOB

The Chairperson welcomed any suggestions from Agency members for topics for pre-Board sessions, noting that it was proposed to hold a Compliance refresher session ahead of the March Agency meeting.

There being no other items under AOB, the Chairperson brought the meeting to a close.

Maeve Carton
Agency Chairperson
29 March 2022